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June 8, 2007

Hon. James Orenstein
U.S. Magistrate Judge
United States Courthouse

RE: 3801 Beach Channel, Inc., et. al. vs.
Schvartzman, et. al.
Docket #: 05-cv-207 (CBA)

Dear Honorable Sir:

This correspondence is per my clients', the Plaintiffs, request to ascertain the status of the above stated matter pending now before this Court. Your Order dated May 5, 2007, stated that Your Honor will prepare a Report and Recommendation to impose sanctions on the Defendants for their continued obstruction of the discovery process by striking their answer and finding them in default. Please take notice that even in light of this decision, Defendants continuously refuse to engage in any amicable settlement discussions. These actions make a clear statement that the Defendants have no respect for this honorable Court or its authority. From the inception of this matter in 2005, Defendants utilized every stalling technique and tactic available to avoid just prosecution and delay the compensation of the Plaintiffs for their suffered losses.

On March 21, 2007, Your Honor imposed a separate set of sanctions on the Defendants ordering them to reimburse Plaintiff's attorney's fees that were necessitated by their incompliance with previous orders. My office provided an affidavit detailing the expanded fees and Defendants' filed a letter of blanket objection stating that such fees were "exaggerated". To date, none of the attorney's fees were reimbursed. As this issue was not addressed at the last hearing, Plaintiffs respectfully asks this Court to render the Court's position on the amount and enforceability of this initial order of sanctions.

Plaintiffs understand and recognize that Your Honor and this Court are much occupied with other matters that may take precedent over the case at hand. It is only due to the manner in which this case has been handled by the Defendants, specifically, their position to delay just prosecution and compensation of the Plaintiffs, that Plaintiffs respectfully ask Your Honor to give this case your attention and consideration at the earliest possible time that becomes convenient.

Thank you for your assistance and consideration.

Sincerely,



Val Kleyman, Esq.

CC: Stephen Pergolizzi, Esq.
VIA FACSIMILE TO 718-627-1082
& PRIORITY MAIL